

# bvse market report: plastics, February 2020

## 1 General economy with reference to the plastics industry

German plastics markets are now operating in a difficult environment. First of all, we must mention the prices for standard plastics, which have been falling for a while. The price decrease for virgin grade is caused by falling crude oil quotes and the subsequent low precursor product prices. Moreover, there is a surplus of standard plastics on worldwide markets. And finally, in Germany, we can see subdued demand for plastic: the stagnating sales of plastics is seen in the packaging sector and the automotive industry in particular. Furthermore, plastics processing is slowing down because of Brexit and the coronavirus. No fundamental improvement of the current difficult situation is in sight; there is no momentum on the market.

In the packagings sector, plastics are increasingly being substituted by paper and board, glass, cans and composites. Interestingly, the alternatives to the PET bottles previously used in the drinks sector (glass, cans, composites) have a much worse life cycle assessment and are much more difficult to recycle. The same is also true for the paper and board substitutes for plastic carrier bags. In packagings in the food sector, we keep seeing that paper and board packagings either have relatively thick coatings or are made waterproof with a thin coating of plastic film. But facts about the benefits of plastics don't appear to interest anyone in these days of plastic bashing.

## 2 The primary plastics market -standard plastics

In January 2020, standard plastics were quoted unchanged in comparison to the previous month, see. Tab. 1. The EUWID price index still listed 1,097 €/t as the average price in January. In a year-on-year comparison, it can be seen that the average quotes from January 2020 (1,097 €/t) were 110 €/t lower than those of the previous year (1,207 €/t). The mood in the markets for standard plastics remains gloomy. The price for packaging PET stabilised. After a price fall over 16 months, the price of packaging PET rose by 10 €/t. Packaging PET was thus quoted at an average of 1,070 €/t in January 2020.

Table 1: Standard plastics prices according to EUWID over the past five months, listed in €/t.

Prices in €/t	January 2020	Dec. 19	Nov. 19	Ovt. 19	Sept. 19
LDPE film grade	980- 1050	980- 1050	980- 1050	1010- 1080	1010- 1080
LLDPE film grade	990- 1080	990- 1080	990- 1080	1020- 1110	1020- 1110
HDPE injection moulding	1090- 1150	1090- 1150	1090- 1150	1120- 1180	1120- 1180
HDPE blow moulding	1110- 1170	1110- 1170	1110- 1170	1140- 1200	1140- 1200
PS crystal clear	1180- 1240	1180- 1240	1230- 1290	1290- 1350	1310- 1370
PS high impact	1280- 1340	1280- 1340	1330- 1390	1390- 1450	1410- 1470
PP homopolymer	1180- 1230	1180- 1230	1180- 1230	1210- 1260	1210- 1260
PP copolymer	1230- 1280	1230- 1280	1230- 1280	1260- 1310	1260- 1310
PVC tube grade	800- 840	800- 840	800- 840	810- 860	810- 860
PVC film/cables	840- 880	840- 880	840- 880	850- 900	850- 900
<b>Average Price</b>	<b>1097 ± 162</b>	<b>1097 ± 162</b>	<b>1107 ± 174</b>	<b>1140 ± 186</b>	<b>1144 ± 191</b>

## 3 Secondary plastics markets in the plasticker price index

The plasticker internet platform, see <http://plasticker.de>, publishes quotes on an hourly basis. The present market report indicates the final monthly prices. It is only possible to represent the preliminary prices for the month of the report, in this case February 2020; they will not

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become definitive until early March. The two quotes stated for February 2020 below therefore indicate only an interim situation, see the left-hand column in Table 2 and Table 3.

### 3.1 plasticker: Standard plastics

The prices for standard plastics held their own in January 2020. For example, the average price of standard plastics was 490 €/t and thus almost identical to the previous month (496 €/t), see Table 2. The average price for January 2020 (490 €/t) was 31 €/t below that of the previous year (521 €/t). The following price changes were more than ±40 €/t: HDPE regranulates -70 €/t and LDPE regranulates -80 €/t. The marked price changes for LDPE bale goods (+70 €/t), PVC\_U regrind (+50 €/t) and PET bale goods (-80 €/t) are quoted without reservation due to the low supply figures. The January price index is showing subdued demand for plastic due to the holidays.

The information in Table 2 reveals price stability for February 2020, too. At 486 €/t, the preview of the February quotes shows an average price that is only 4 €/t lower than in the previous month (490 €/t). The February 2020 price index, 11.02.2020, shows very low demand for plastic to date.

Table 2: Standard plastics price according to plasticker; listed in €/t.

	Feb. <sup>6</sup> 20	Jan. 20	Dec. 19	Nov. 19	Oct. 19	Jan. 19
HDPE regrind <sup>1</sup>	570	570	600	600	570	550
HDPE regranulates <sup>5</sup>	740	750	820	790	810	900
LDPE bale goods <sup>2</sup>	200*	160*	90	80	180	150
LDPE regrind <sup>1</sup>	470	480	510	490	510	610
LDPE regranulates <sup>5</sup>	600	600	680	660	670	690
PP bale goods <sup>3</sup>	300*	180*	150	190*	140*	200
PP regrind <sup>1</sup>	540	560	570	570	550	540
PP regranulates <sup>5</sup>	830	790	790	820	820	780
PS regrind <sup>4</sup>	590*	630*	600	600	620	620
PS regranulates <sup>5</sup>	790	840	810	850	850	910
PVC_P regrind <sup>1</sup>	200*	290*	260*	290*	320*	320*
PVC_U regrind <sup>1</sup>	480	510*	460*	420	360	460*
PET bale goods	130*	130*	210*	150*	190	180
PET regrind mixed colours	360	370	400	340	340	380
<b>Average Price</b>	<b>(486)</b>	<b>490</b>	<b>496</b>	<b>489</b>	<b>495</b>	<b>521</b>

\*: Supply figure too low to attain statistical significance; <sup>1</sup>: equivalent to the grade "post-industrial mixed colours"; <sup>2</sup>: equivalent to K49; <sup>3</sup>: equivalent to K59; <sup>4</sup>: equivalent to "standard, mixed colours"; <sup>5</sup>: equivalent to the grade "regranulates, black"; <sup>6</sup>: preview (may be amended by additional quotes)

### 3.2 plasticker: Technical plastics

In January 2020 the average price for technical plastics in plasticker is 1,168 €/t and thus 59 €/t lower than in the previous month (1,227 €/t), see. Table 3. A comparison of the average prices from January 2020 (1,168 €/t) with those of the previous year (1,327 €/t) shows a difference of 159 €/t. The January price index to date records subdued demand for plastic due to the holidays. These plastics show price changes of more than ± 70 €/t: ABS regranulates +230 €/t, PC regranulates -290 €/t, PA 6 regrind -340 €/t and PA 6 regranulates -80 €/t.

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At 1,235 €/t, the preview of the February quotes of 11.02.2020 shows an average price that is 67 €/t higher than in the previous month (1,168 €/t). The February price index records continuing subdued demand for plastic.

Table 3: Technical plastics price according to plasticker; listed in €/t.

	Feb. <sup>6</sup> 20	Jan. 20	Dec. 19	Nov. 19	Oct. 19	Jan. 19
ABS regrind	620	620	600	610	600	630
ABS regranulates <sup>5</sup>	1630	1480	1250	1090	1120	1280
PC regrind	880	890	890	970	940	1000
PC regranulates <sup>5</sup>	1690	1530	1820	1680	1470	1870
PBT regrind	460	480	510	520	450	500
PBT regranulates	1610	1570	1600	1570	1590	1860
PA 6 regrind	890	840	880	880	830	860
PA 6 regranulates <sup>5</sup>	1740	1750	1830	1760	1700	2030
PA 6.6 regrind	910	880	920	940	880	870
PA 6.6 regranulates <sup>5</sup>	2160	2150	2200	2060	2010	2210
POM regrind	800	680	710	620	590	690
POM regranulates <sup>5</sup>	1430	1440	1510	1550	1400	2120
<b>Average Price</b>	<b>(1235)</b>	<b>1168</b>	<b>1227</b>	<b>1188</b>	<b>1132</b>	<b>1327</b>

<sup>5</sup>: equivalent to the grade "regranulates, black"; <sup>6</sup>:preview (may be amended by additional quotes).

## 4 Evaluation of the secondary plastic markets

### 4.1 Standard plastics

Recycled plastics have a positive image. Companies look for recyclates that supplement the virgin grade to enhance their products. The use of recyclates in the packaging sector, food and non-food, is being examined by many companies. This often concerns small tonnages, but these individual applications added up can definitely be considerable.

The winter break lasted until mid-January. Both price indices, EUWID and plasticker, show subdued demand for plastic waste and recyclates. Or, put another way, both price indices show price stability with low turnover. In January 202, the EUWID data for standard plastics show slightly higher prices only for PE post user films. And this is mirrored in plasticker, which shows only a very slight fall in the average price.

The EUWID price index for waste plastic January 2020: The PE post-user film wastes were quoted an average 9 €/t lower. The mean EUWID quotes for PE post-user films are: LDPE shrink hoods natural 350 €/t, LDPE shrink hoods mixed colours 90 €/t, thin film transparent natural 193 €/t, thin film transparent coloured 15 €/t, LDPE agricultural film -35 €/t, commercial mixed film (90/10) 80 €/t and commercial mixed film (80/20) 45 €/t. All other quotes, i.e. PE, PP, PVC and PS production waste, are unchanged.

### 4.2 PET Recycling

A higher volume of bottles in January as a result of the holidays is positive for the PET recyclers. However, the surge in PET bottles has mostly been processed by February. PET recyclers are therefore endeavouring to replenish their stocks. What is positive for PET recyclers is that the prices for virgin grade packaging PET were quoted slightly higher in January.

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The demand for recycled PET from the non-food sector continues to increase. For example, ever more packers want to ecologically enhance their non-food bottles with recycled PET. And in the food sector, too, the demand is rising, for example the proportion of recyclates in PET dishes will increase further. Efforts to recycle PET dishes are also making progress. Nevertheless, PET recycling systems are coming under pressure from the relatively low prices for virgin grade.

The January quotes for used PET returnable bottles have not changed in comparison with the previous months, see the EUWID price index for used PET single-use returnable bottles.

### **5 Explanation on the price quotes**

A detailed discussion with information of price indices for virgin grades and waste plastics as well as precursor products can be found in EUWID Recycling and Disposal see [www.euwid.de](http://www.euwid.de), or in EUWID Plastics [www.euwid-kunststoff.de](http://www.euwid-kunststoff.de). EUWID: No guarantee for any of the prices.; prices ex station. As a rule, the prices quoted refer to quantities in excess of 20 tons.

The quotes for secondary prices, which are updated on an hourly basis, can be calculated using the price lists that are derived from the quotations published in the raw material exchange plasticker, see [www.plasticker.de](http://www.plasticker.de). The prices listed in this index are quoted without reservation - as the majority of the quotes submitted are not necessarily equivalent to the sales prices. Plasticker offers the quality grades regrind and regranulates both as virgin materials and as secondary goods. The term 'bale goods' refers to waste plastics only. Furthermore, plasticker does not distinguish between the following grades: transparent, mixed colours or colour-separated. Therefore, the information provided by plasticker may indicate different market behaviour than the prices quoted by EUWID

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